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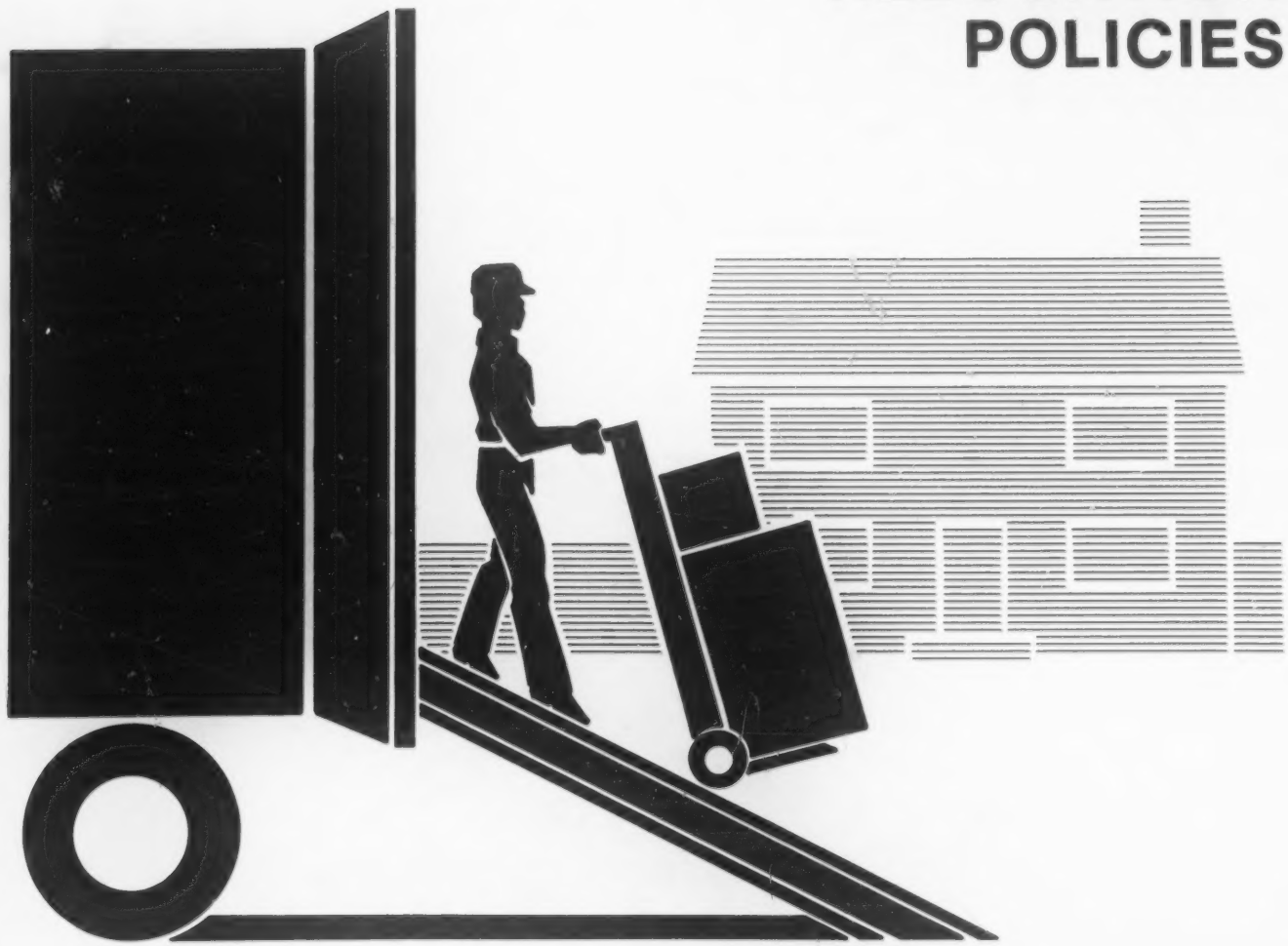
RESULTS 1990

TWENTY-THIRD ANNUAL SURVEY OF CORPORATE RELOCATION POLICIES



Atlas Van Lines

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ATLAS VAN LINES
TWENTY-THIRD SURVEY OF CORPORATE RELOCATION POLICIES
— SUMMARY OF FINDINGS —

More liberal relocation policies, which were spurred on by employee feedback, have pushed total relocation costs higher as more privileges are allowed for the relocating employee. Relocation policy decision-makers, for the second year in a row, have placed "employee feedback" above "price" (See Illustration A) when evaluating their carriers' performance, resulting in these more liberal policies.

This trend was initially identified last year in Atlas' **Twenty-Second Survey of Corporate Relocation Policies.** Last year's **Summary of Findings** (page 1) explained that, for the first time, the importance of "employee feedback" replaced "price" as the second most important consideration in evaluating carriers. "Service" continued as the number one factor.

Along with this continued trend in 1989 has come more corporate concern for trailing spouses, time extensions for temporary living quarters, and increased financial assistance programs such as "bridge loans" for real estate. All of this has definitely resulted in a more employee-oriented relocation service, although at a higher price tag for the whole package.

In some research findings, the average total relocation cost has now broken the $40,000 level. For the two components of the total relocation cost that this survey reports on, both experienced increases, one more so than the other.

The average cost per domestic move (See Illustration B) in 1989 for direct moving services (van line packing and transportation) was $5,182, up just over 7 percent from $4,835 a year ago. Indirect moving services (motel accommodations, family transportation, meals, maid service, appliance servicing, spouse counseling and similar items) in 1988 were $2,410. In 1989, that figure was $3,113, up by more than 29 percent.

Most likely related to the increase in total cost per move is the reduction in the creation of more limited relocation policies. As corporate relocation executives incorporate the feedback received from relocating employees into the relocation policy, the policy becomes more liberal, and consequently, the price increases as more is allowed into the package.

In Most Relocation Policies . . .

Five years ago, nearly one-quarter of the companies polled paid none of the costs to buy or sell an employee's home. In 1988, that practice had dropped to 16 percent and last year it dropped further to show that only 12 percent would not pay any of these expenses.

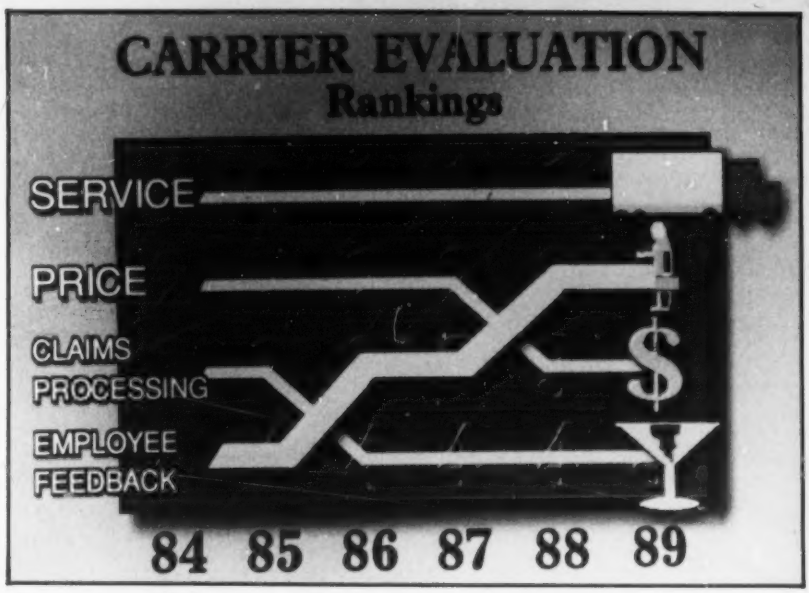
Regarding the fees connected with the purchase or sale of a home (such as attorney, title and survey fees), just over half of the companies in 1984 paid such fees. These fees in 1989 were paid on behalf of employees by 68 percent of the firms polled.

While the survey shows that nearly every company (95 percent) will pay to have all household items packed and that 72 percent permit the moving of unlimited weight, there was some difference in what is allowed in the area of specific personal items. The Atlas survey asked companies what specific personal items, other than traditional household goods, they would pay to move for the relocating employee (See Illustration C). Leading the list at 86 percent was moving an automobile, followed by recreation and lawn equipment at 72 percent, a second automobile by 63 percent of the respondents, and collections of valuable objects according to 56 percent.

Rounding out the list of specific personal items were: pets at 42 percent, belongings from a secondary residence at 33 percent, a satellite TV dish at 28 percent and a boat at 27 percent. It should be pointed out that these percentages for moving personal items have remained fairly constant during previous years of the survey.

While these items appear to be the general rule in most relocation policies, there are also some general exceptions to the rule. Heading this list of "recurring exceptions to the policy" is the issue of more time in the temporary living quarters. The second most common exception according to the survey was home purchase assistance and "bridge loans." But, while the respondents indicated that fewer limitations are being placed on the relocation policy, it also should be noted that 22% of the respondents do not allow the hiring of spouses of employees. And, in a related question, over 84% of the respondents indicated that they still offer no job search assistance to the trailing spouse.

Illustration A -- *While total relocation costs are rising (in some surveys the average total relocation cost has broken the $40,000 level) and corporate relocation policies are becoming more liberal, relocation policy decision-makers, for the second year in a row, have placed "employee feedback" above "price" when evaluating their carriers' performance, resulting in more liberal policies.*



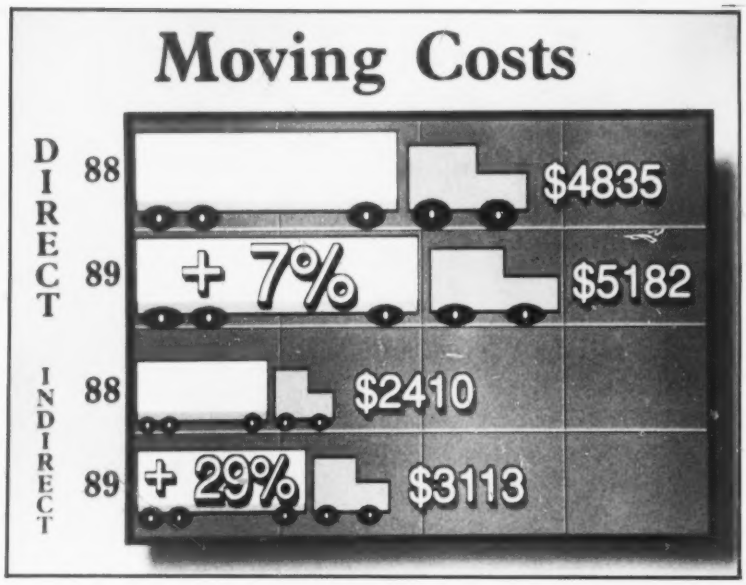


Illustration B -- *Compared to the prior year, direct moving services rose 7 percent in 1989; however, indirect moving services increased by more than 29 percent.*

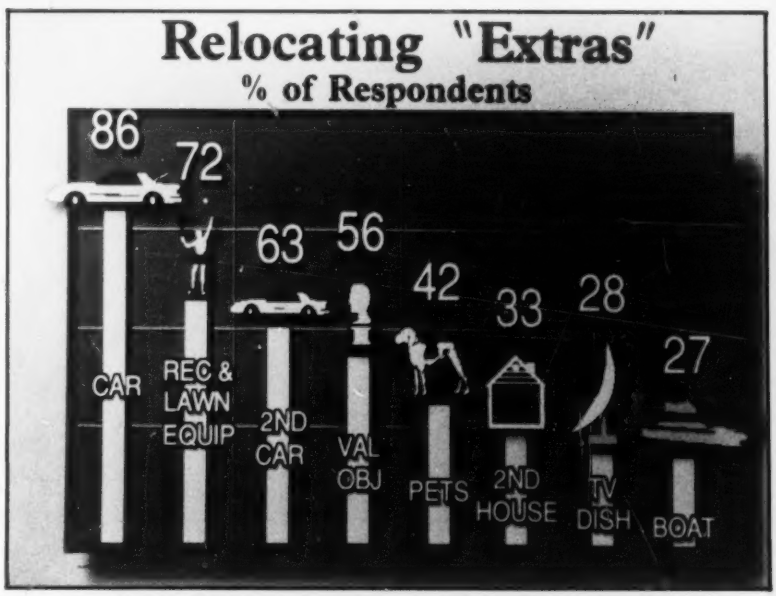


Illustration C -- *The specific personal items (those other than traditional household goods) that a company will relocate for an employee have remained at fairly constant percentages throughout the history of this survey.*

However, the increasing number of dual-career families is making it necessary for corporations to deal with the employment of the trailing spouse. It will be interesting to see if the attitude of a more liberal relocation policy may affect a change in the corporate rule regarding nepotism, as well as increase the job search assistance offered for the trailing spouse.

In Other Findings . . .

* In 1989, 43% of the respondents experienced more relocations as compared to the previous year, 21% reported a decrease in the number of relocations and 36% reported that the number stayed about the same. And, nearly one in four (24 percent) predict that the number of employee moves will increase in 1990, while 23 percent anticipate that the number will decrease and 53 percent believe the number of relocations will stay about the same.

* 43.4% of the respondents were women, the highest percentage of women respondents to date for the survey.

* "Growth of company," "Lack of qualified people locally" and "Economic conditions" were the three most significant external factors affecting a change in the number of employee transfers over the previous year.

* "Promotions/resignations," "Corporate reorganization" and "Expansion into new territories" were the three most significant internal factors affecting a change in the number of employee transfers over the previous year.

* The majority of companies made information about their relocation policy available to their employees through printed material which is also explained by authorized personnel within the company.

Respondent Profiles

The majority of returns (76 percent, up from 64 percent the prior year) were from individuals in personnel or human resources departments. Over half of the respondents were at either the manager or director level, and almost half had been in their current position three to ten years. Nearly one-quarter of the respondents were responsible for 100 or more employee relocations in 1989.

Company Profiles

The largest general category (59 percent) of responding companies were involved in manufacturing/processing. Most of the companies (77 percent) operated on a national or international basis, had more than 500 salaried employees (56 percent), and had annual revenues in excess of $250 million (54 percent). The majority of them (81 percent) administered employee relocations through a centralized department or location.

The Twenty-Third Survey of Corporate Relocation Policies is made available at no charge from the Atlas Van Lines Public Relations Department. For additional information, please contact:

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On behalf of Atlas Van Lines and the entire household goods moving industry, we extend our thanks to the 241 corporate executives who took the time and effort necessary to complete this questionnaire. Their participation in helping to develop this unique and valuable guideline will contribute greatly to continued improvement in household goods moving services.

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23rd Annual Survey of Corporate Relocation Policies

conducted by

ATLAS VAN LINES, INC.

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Survey questions indicated either by, "Check each applicable response," or by, "(circle appropriate response to each question)," will have percentage totals exceeding 100%.

PART A -- Corporate Profile

1. Which one of the following classifications most accurately describes your company?

59.1% - Manufacturing/Processing
26.6% - Service (includes education, health care, etc.)
13.7% - Financial (includes banking, insurance, investments, etc.)
00.4% - Government/Military

2. Is your company . . . ?

23.1% - Regional
33.1% - National
43.6% - International

3. Your company's approximate annual sales for 1989 were . . .

27.1% - Less than $100 million
18.8% - $100-$249 million
10.5% - $250-$499 million
08.2% - $500-$749 million
06.4% - $750 million -$1 billion
28.5% - Over $1 billion

4. How many salaried (that is, non-hourly) people are employed by your company?

08.4% - Less than 100
35.8% - 100-499
14.7% - 500-999
24.0% - 1,000-4,999
16.8% - 5,000 or more

5. How long has your company had a formal relocation policy?

11.4% - No formal policy
00.8% - Less than 1 year
19.4% - 1-5 years
21.1% - 6-10 years
19.0% - 11-15 years
09.3% - 16-20 years
18.6% - Over 20 years

6. Does your company administer employee relocations from a centralized department or are relocations administered on a decentralized (regional, local office) basis?

80.5% - Centralized
19.4% - Decentralized

7. If you answered "Centralized" to question A-6, does your company's centralized relocation department (circle appropriate response to each question). . .

42.2% - Control air carrier selection?
60.4% - Control freight carrier selection?
85.0% - Control household goods carrier selection?
45.4% - Handle office relocations?
26.2% - Recommend site and space selection for office relocations?
45.4% - Handle air travel via commercial airlines?

8. If you answered "Decentralized" to question A-6, who selects the carrier for your employee's move?

36.3% - The company
06.8% - The employee
47.7% - The company and the employee together
02.2% - A relocation firm
06.8% - Other

9. Which category best represents the function of your department?

76.4% - Human Resources/Personnel
08.9% - Traffic/Transportation
04.2% - Administration
03.4% - Compensation and Benefits
04.7% - Relocation Services
02.1% - Other

10. Which is your position with the company?

00.8% - President
10.0% - Vice-President
02.1% - Assistant Vice-President
16.9% - Director
34.3% - Manager
02.6% - Department Head
07.8% - Supervisor
25.2% - Other

11. Are you . . . ?

56.5% - Male
43.4% - Female

12. How large is your department staff?

66.8% - 1-5 full-time people
19.1% - 6-10 full-time people
14.0% - 11 or more full-time people

13. How many years have you held your current position?

11.3% - Less than 1 year
18.4% - 1-2 years
29.4% - 3-5 years
19.7% - 6-10 years
21.0% - Over 10 years

14. Approximately how many employee relocations, within the U.S., was your company responsible for in 1989?

38.3% - 0-9
12.5% - 10-19
11.6% - 20-49
13.7% - 50-99
10.4% - 100-199
05.0% - 200-299
02.0% - 300-399
06.2% - 400 or more

15. What is the age category of your company's most frequently transferred salaried employee?

00.8% - Less than 25 years
14.3% - 25-30
34.9% - 31-35
40.3% - 36-40
08.5% - 41-45
00.8% - More than 45 years

16. What is the salary range of your company's most frequently transferred employee?

01.8% - Less than $25,000
05.8% - $25,000-$29,999
32.5% - $30,000-$39,999
38.4% - $40,000-$49,999
14.0% - $50,000-$59,999
07.2% - $60,000 and higher

17. Which statement below best describes your company's practice about the frequency of relocations?

17.4% - Every two years or more often
38.0% - Once every three to five years
16.9% - Once every six to ten years
27.5% - Less frequently than once every ten years

18. In 1989, what percentage of your transferred employees were women?

30.2% - None
35.5% - Less than 5%
18.4% - 5%-10%
15.7% - 11% or more

19. Comparing the number of employee transfers in 1989 with 1988, the 1989 number . . .

09.0% - Increased greatly
33.9% - Increased moderately
04.2% - Decreased greatly
16.7% - Decreased moderately
36.0% - Remained about the same

20. Compared to 1989, do you anticipate that the number of employees your company will move during 1990 will . . .?

24.2% - Increase
23.0% - Decrease
52.7% - Remain about the same

21. Compared to 1989, do you estimate that your company's number of relocations in 1995 will be . . .?

66.0% - More
33.9% - Less

22. If the number of employee transfers changed from 1988 to 1989, what external conditions had the most significant impact on that number? (Check each applicable response.)

24.1% - Economic conditions
52.8% - Growth of company
25.1% - Lack of qualified people locally
05.1% - Growth of domestic competition
04.1% - Growth of international competition
11.7% - External conditions had no impact
09.7% - Other

23. What internal company conditions affected the change in the number of employee transfers from 1988 to 1989? (Check each applicable response.)

15.8% - Increased production
04.6% - Decreased production
19.4% - Expansion of facility
14.3% - Closing of facility
13.3% - Budget constraints
29.2% - Expansion into new territories
18.9% - Acquisitions/mergers
34.8% - Corporate reorganization
35.8% - Promotions/resignations
06.1% - International expansion
02.5% - Internal conditions had no impact
04.1% - Other

24. Does your company allow the hiring of spouses of employees?

22.1% - No
60.4% - Yes, but not in the same department/division
04.2% - Yes, but not at the same location
13.1% - Yes, without restriction

PART B -- Corporate Relocation Policies

1. How is information about your company's employee relocation policy made known to your employees?

13.9% - Employee is provided printed material describing all procedures and conditions
57.7% - Employee is provided printed material describing company policies, and this information is also explained by authorized personnel within the company
07.7% - Pre-move counseling is provided within the company
19.5% - There is no set policy--each case is handled individually and explained on a one-to-one basis
00.5% - Professional counseling is provided by a relocation firm
00.0% - Moving company representatives' counsel
00.5% - Other

2. How did your corporate relocation policy change during 1989?

78.5% - Did not change
17.2% - Created a more liberal policy
04.2% - Created a more limited policy

3. To what extent does your company reimburse for moving expenses?

86.0% - Full reimbursement of moving expenses
13.1% - Partial reimbursement based on salary, position, tenure, etc.
00.8% - No reimbursement of moving expenses

4. Does your company's moving policy allow more benefits for new hires or for transferees?

04.6% - New hires
62.4% - Transferees
32.9% - No difference

5. Does your company reimburse/pay the relocating employee (circle appropriate response to each question)...

85.5% - To move an automobile?
63.1% - To move a second automobile?
27.1% - To move a boat?
33.0% - To have belongings picked up from a secondary residence (summer home, relative's home, etc.)?
06.7% - To hire temporary maid service at either the old or the new residence?
95.3% - To pack all items?
71.6% - To move unlimited weight?
13.1% - To have permanent storage of some possessions?
56.3% - To move collections of highly valuable objects like statuary, paintings, and antiques?
41.9% - To move pets?
72.4% - To move recreation and lawn equipment?
27.5% - To move satellite TV dishes?

6. How many expense-paid trips does your company allow an employee to find housing in the new location?

00.8% - None
30.0% - One
54.9% - Two
10.3% - Three
03.8% - Four or more

7. How many days are allowed for a house-hunting trip?

11.7% - 1-2
38.8% - 3-4
29.6% - 5-6
19.6% - Other

8. How many expense-paid house-hunting trips is the spouse allowed?

03.9% - None
36.5% - One
50.8% - Two
06.5% - Three
02.1% - Four or more

9. How does your company assist an employee's spouse in finding employment in the new location?

84.2% - No assistance
03.2% - Pay job-finder's fee
01.3% - Find employment within the company
10.6% - Find employment outside the company
00.4% - Pay spouse's full or partial salary until hired

10. Which of the following practices does your company authorize for the buying or selling of an employee's home (circle appropriate response to each question)...

11.9% - Pay none of the selling costs?
14.9% - Pay only the real estate commission?
67.5% - Pay all fees connected with the purchase or sale of the house (lawyer, title, land, surveys, etc.)?
29.9% - Guarantee a sale price for the employee's former residence?
38.0% - Actually purchase the employee's former residence?
68.3% - Pay a lease-termination penalty?
02.9% - Assist in the sale of a vacation home?
12.3% - Offer no assistance in the new location?
42.7% - Assist with the arrangement of a mortgage or swing loan?
38.0% - Pay a cash bonus?
41.0% - Offer a mortgage-interest differential?
22.6% - Offer a cost-of-living differential?

11. If your company will buy an employee's former residence, how do you determine the sale price?

00.0% - Pay the employee's asking price
00.9% - Pay the employee's appraised value
00.0% - Negotiate with the employee
74.0% - Pay the average of several appraisals
13.8% - Arrange with a national realtor to act on behalf of the company and the employee
11.1% - Other

12. During 1989, what was the average cost to your company per domestic move for...

Average $5,182 - Direct moving services (van line packing and transportation)?
Average $ 3,113 - Indirect moving services (motel accomodations, family transportation, meals, maid service, appliance servicing, spousal counseling, and similiar items)?

13. The total moving cost (total of direct, indirect and real estate services) is what percentage of your company's total cost of relocating an employee?

08.2% - Less than 10%
20.7% - 11%-25%
17.1% - 26%-49%
53.8% - 50% or more

14. What protection coverage does your company authorize for the transportation of the household goods?

11.7% - A released rate of 60¢ per pound per article
25.6% - Declared value protection (depreciation value)
62.6% - Full replacement value protection

15. Who is the provider of transit protection for relocating employees' goods?

79.2% - Van line
09.0% - Outside insurance company
11.2% - Company is self-insured
00.4% - Employee provides

16. How frequently is an employee's relocation affected by the employment status of that employee's spouse?

02.2% - Almost always
19.1% - Frequently
66.5% - Seldom
12.0% - Never

17. Did at least one of your employees decline the opportunity to relocate during 1989?

74.6% - Yes
25.3% - No

18. If you answered "Yes" to question B-17, did the number of employees declining relocation in 1989 . . .?

26.5% - Increase from the 1988 level
02.4% - Decrease from the 1988 level
70.9% - Remain about the same as the 1988 level

19. What reasons did the employees give for declining relocation? (Check each applicable response.)

47.5% - Cost of living in the new location
48.1% - Family ties
34.7% - Housing/mortgage concerns
41.4% - Spouse's employment
42.0% - No desire to move
04.2% - Other

20. Does declining the opportunity to relocate usually hinder an employee's career?

39.5% - Yes
60.5% - No

21. Which category of your company's work force is most likely to experience the greatest number of relocations?

56.1% - Sales
17.4% - Plant/facility management
11.2% - Engineering
02.8% - Data processing
08.9% - Administration
00.5% - Research and development
00.5% - Finance
02.2% - Marketing

22. Rank the following in terms of relocation activity ("1" = the busiest period).

4 - December 1988 - February 1989
2 - March 1989 - May 1989
1 - June 1989 - August 1989
3 - September 1989 - November 1989

PART C -- Transportation

1. With how many carriers does your company have contractual agreements for the transportation of household goods?

30.1% - One carrier
24.8% - Two carriers
25.3% - Three carriers
19.5% - Four or more carriers

2. Does your company have contractual agreements for the transportation/handling of . . .? (Check each applicable response.)

26.4% - Products
19.6% - Exhibits
96.0% - Employee relocations
17.9% - General commodities
30.8% - Computers and/or office equipment

3. If your company entered into a contract carriage agreement during 1989, what was the primary reason?

42.6% - Cost
40.0% - Service
17.3% - Reliability
00.0% - Claims Processing

4. In terms of evaluation, what has been your company's experience with such contract carriage arrangements?

39.5% - Excellent
54.4% - Good
05.9% - Fair
00.0% - Poor

5. Does your company use the services of a relocation service or a brokerage firm? (Check each applicable response.)

39.6% - Relocation service
07.2% - Brokerage firm
56.9% - Relocation and brokerage services not used

6. If you used a relocation service or a brokerage firm in 1989, which services did it provide? (Check each applicable response.)

46.1% - Counseling about the planning and details of moving
25.6% - Counseling about company policy
87.1% - Real estate sale and purchase
53.8% - Orientation tours in the new location
21.7% - Arrangement of family's transportation and accommodations
28.2% - Contact of household goods moving company
20.5% - Audit and/or payment of invoice
17.9% - Monitoring of shipment
15.3% - Assistance with employee claims preparation and submission
12.8% - Supplementary services (appliances, cleaning, etc.)

7. Would your company consider "one-stop shopping" as a means of securing all of its needed relocation services? That is, would you obtain — through a single source — real estate services, transportation services, counseling services, and so on?

33.3% - Yes
66.6% - No

8. Rank the following guidelines in terms of carrier selection ("1" = the most important).

1 - Service
2 - Price
5 - Claims processing
4 - Local Agent(s)
3 - Reputation

9. Rank the following in terms of carrier evaluation ("1" = the most important).

1 - Service
2 - Employee feedback
4 - Claims processing
3 - Price

10. From your relocating employees' perspectives, rank the following parts or aspects of a move in terms of importance ("1" = the most important).

2 - Salesperson/Origin Agent
1 - Packer
3 - Driver
5 - Destination Agent
4 - Claim processing in the event of loss or damage

11. How would you classify the effects of deregulation on each of these industries?

(a) Airline industry
19.7% - Better for all users
55.7% - Better for some users
11.9% - Worse for all users
12.5% - Worse for some users

(b) General commodity trucking industry
22.5% - Better for all users
60.1% - Better for some users
03.4% - Worse for all users
13.8% - Worse for some users

(c) Household goods moving industry
26.8% - Better for all users
60.5% - Better for some users
06.8% - Worse for all users
05.7% - Worse for some users

(d) Telephone industry
19.8% - Better for all users
41.3% - Better for some users
21.9% - Worse for all users
16.7% - Worse for some users

12. When comparing the van line service you received in 1989 to that received in 1988, would you say that van line service in 1989 was. . .?

26.6% - Better than 1988
06.4% - Worse than 1988
66.9% - About the same as 1988

13. During 1989 were there any "exceptions" to your relocation policy that seemed to be occurring more often?

76.1% - No
23.8% - Yes, specify

PART D -- International Relocations

(TO BE COMPLETED ONLY IF YOUR COMPANY PERFORMED ANY INTERNATIONAL RELOCATIONS DURING 1989)

1. Approximately how many international employee relocations was your company responsible for in 1989?

78.0% - 0-9
06.8% - 10-19
08.2% - 20-49
04.1% - 50-99
02.7% - 100-199
00.0% - 200-299
00.0% - More than 300

2. Compared to 1989, do you estimate the number of employees your company will relocate internationally during 1990 will . . .?

20.2% - Increase
14.4% - Decrease
65.2% - Remain about the same

3. Which is your primary contact for international relocations?

25.8% - Van line
38.7% - Van line agent
19.3% - International forwarder
14.5% - Third party
01.6% - Other

4. Rank the following for international carrier selection ("1" = the most important).

1 - Service
2 - Price
4 - Claims processing
3 - Reputation

5. Rank the following guidelines for international carrier evaluation ("1" = the most important).

1 - Service
2 - Employee feedback
4 - Claims processing
3 - Price

6. Does your company utilize Electronic Data Interchange (EDI) interface capabilities on international shipments?

76.2% - Never
15.2% - Seldom
08.4% - Frequently
00.0% - Always

7. Apart from the physical handling of personal belongings, do you believe that the International Household Goods Forwarding industry provides sufficient service in these areas of the relocation process (circle appropriate response to each area). . .

43.5% - Visa and document services?
46.1% - Travel services?
25.6% - Schooling and education?
28.2% - Cultural indoctrination?
35.8% - Auto rentals/leases?
23.0% - Legal and financial indoctrination?
05.1% - Other?

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